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C O N F I D E N T I A L SECTION 01 OF 02 MONTERREY 000412

SIPDIS

DS FOR IP /ITA AND IP/WHA

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TAGS: KCRM PHUM PINS SNAR ASEC PGOV MX
SUBJECT: SAN PEDRO'S NEW MAYOR: BOTH FRIEND AND FOE OF ORGANIZED

CRIME

REF: A) MONTERREY 379, B) MONTERREY 344

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CLASSIFIED BY: Bruce Williamson, Principal Officer, Consul General Monterrey, State.

REASON: 1.4 (d)

- (C) Summary. In his October 31 inauguration address, San Pedro Mayor (and former PAN federal Senator) Mauricio Fernandez lauded the execution of four suspected narco-traffickers -four hours prior to the discovery of their bodies in the Mexico's Federal District. Fernandez's revelation, combined with his prior public statements that he has organized an off-the-books 'bad-boy' squad in San Pedro (an upper-class suburb of Monterrey), has made it even clearer that as mayor he plans a hardhitting, but wrong-headed, approach to organized crime. Based on an audiotape which surfaced during Fernandez's mayoral campaign, to the effect that he would negotiate with the cartels, and our own conversations with him, our belief is that Fernandez's "bad-boy" squad (his terminology) has links to the Arturo Beltran Leyva cartel. In any event, Fernandez has sparked controversy in Monterrey, with some applauding him and others, including many of his fellow incoming mayors, labeling him misguided. End Summary.
- As reported in reftel A, on October 9, Post alerted then-San Pedro Mayor-elect Mauricio Fernandez about DEA information indicating a potential threat to his life. (San Pedro is the municipality where all of Post's U.S. direct-hires are housed.) Fernandez, a former PAN federal Senator and a member of Monterrey's influential Garza Sada clan, surmised that the threat came from Hector and Alan Saldana, brothers who were renegade cadres of the Arturo Beltran Leyva cartel and sought protection (which was provided) from local Mexican army authorities. On October 27, in a brief encounter with the Consul General, Fernandez stated that he was no longer worried about the Saldanas as they had been "picked up" (he did not specify by whom) in Mexico City. Three days later, on October 30, San Pedro police officials told RSO that the Saldana brothers were dead. Notwithstanding earlier Consulate requests to refrain from making the source of the threat information public, Fernandez did just that, stating in October 30 television and newspaper interviews that the Consulate had taped a conversation of a threat from the Saldanas and had passed it to him.
- (C) In his October 31 inauguration address, Fernandez went even further. He stated that the Saldanas had been killed in Mexico City, a declaration which reportedly generated applause from the audience. Later that day, the bodies of Hector and Alan Saldana, along with two others, were discovered in the

Federal District, along with signs indicating that such was the fate of kidnappers. (The Saldanas were suspected to have been behind many of the kidnappings in San Pedro.) According the local press, however, the bodies were only discovered by Mexican authorities four to five hours after Fernandez's statement, provoking the still unanswered question of how Fernandez knew about the execution.

- 14. (C) On November 2, Fernandez continued his barrage. He said that his administration in San Pedro would take on organized crime notwithstanding the fact that under Mexican jurisprudence this responsibility falls to federal and state authorities. He accused his fellow mayors of "hacerse gueyes," which roughly translates to playing dumb or looking the other way. (In past, private conversations with Conoffs, he has made this same point regarding other local mayors.) Again, Fernandez reiterated his intent to form an intel squad to eradicate organized crime in San Pedro.
- 15. (C) Local reaction to Fernandez's many statements has been varied. Some have applauded his tough public stance while others note that he is only speaking out because he has protection. Although the incoming PRI Governor has not weighed in, the new state Attorney General has publicly declared that he "supports" Fernandez. (In an earlier, October 16 private conversation with Consul General and A/Legatt, the state Attorney General indicated that he viewed San Pedro law enforcement as just as corrupt/infiltrated as that of all the other municipalities in the region.) Incoming Monterrey Mayor Fernando Larrazabal (PAN), publicly challenged Fernandez's assumption of the role as principal anti-crime fighter, noting that as Mayor of Monterrey he was elected to respect the law and would do just that. Larrazabal added that security would only improve through actions, not talk. Miguel Angel Granados Chapa, commentator for the leading local daily "El Norte" was more explicit: his November 3 column ran with the headline "Death Squads?"
- 16. (C) Based on Fernandez's demonstrated closeness to the Arturo Beltran Leyva (ABL) cartel, see reftel A, Post believes

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that Fernandez's so-called "bad-boy" squad has links to that group. Particularly worrisome have been Fernandez's statements to us that he has obtained assurances from the ABL cartel that they will cooperate in ridding San Pedro of kidnappers and his acknowledgements that he has received phone calls from ABL reps. In addition, during the spring mayoral campaign, a surreptitiously-obtained audiotape surfaced which contained comments by Fernandez about negotiating with organized crime to improve security in terms of kidnapping and common crime.

- 17. (C) On October 23 Consul General spoke with outgoing San Pedro Mayor Fernando Margain Berlanga about Fernandez's course. Margain, who noted that he had strong personal and family ties to Fernandez (their fathers help found the PAN party), characterized Fernandez as "eccentric." Controversy should be expected, he said, as during Fernandez's prior term as Mayor of San Pedro during the late 1980s, a mail bomb was sent to his house and exploded. Margain further stated that given Fernandez's considerable wealth and social status -- he is a member of Monterrey's influential Garza Sada clan -- Fernandez did not see the need to respect the restraints that other policymakers worked under. Fernandez is accustomed to taking his own counsel and not listening to anyone, Margain added. Comment. This has been Consul General's experience with Fernandez as well. End Comment.
- 18. (C) However, some law enforcement authorities here think that despite his "royalty" status, Fernandez may have bitten off more than he can chew; they speculate that SIEDO may call him in to depose regarding his knowledge of the Saldana executions. Even if the feds don't act, Post believes Fernandez's apparent bargain with the bad guys is fraught with peril for him; his future survival may now depend upon his ability to keep on good terms with the ABL cartel. Ironically, it is likely that the

new Mayor's efforts/actions will eventually do more to destabilize San Pedro than to create a safer, more secure, city. WILLIAMSON